



COMPTROLLER GENERAL OF THE UNITED STATES

WASHINGTON D.C. 20548

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B-213761

July 27, 1984

The Honorable Thomas E. Petri  
House of Representatives

Dear Mr. Petri:

By letter report dated December 12, 1983, we supplied you with cost information concerning the Department of Agriculture (USDA) tobacco price-support program.<sup>1/</sup> As we noted in that report, our audit staff found variances between the procedures used by the Department of the Treasury in charging interest and crediting repayments against loans to the Commodity Credit Corporation (CCC) and those procedures employed by CCC in charging interest and crediting repayments on loans to tobacco producer associations. The most significant variance is that Treasury charges CCC interest on the daily outstanding balance it owes Treasury, including accrued but unpaid interest from prior periods; however, CCC does not charge its producer associations for accrued interest. The impact of this and other variances between CCC and Treasury procedures is a net loss to CCC based on the difference between the amount of interest collected by CCC from tobacco producer associations and the corresponding interest which CCC pays the Treasury for borrowed funds. This net loss is funded through annual appropriations to CCC.

This letter analyzes whether the Secretary of Agriculture is required, under either the Food and Agriculture Act of 1981 (the "1981 Act"), Pub. L. No. 97-98, 95 Stat. 1266, December 22, 1981, or the No Net Cost Tobacco Program Act of 1982 (the "1982 Act"), Pub. L. No. 97-218, 96 Stat. 197, July 20, 1982, to change CCC's procedures for charging interest and crediting loan repayments to make them consistent with the procedures used by Treasury in order to eliminate CCC's interest losses. Although the issue is not free from doubt, we conclude that the Secretary is not so required.

In our view, the 1981 Act and the 1982 Act must be construed together. While both the 1981 and 1982 Acts generally indicate that Congress intended the tobacco program to operate at no net cost to the taxpayers, the 1982 Act's legislative history indicates that Congress did not view either Act as

<sup>1/</sup> Cost Information on USDA's Tobacco Program, RCED-84-33, December 12, 1983.

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addressing losses incurred by CCC as a result of the differences between how CCC charges interest and credits repayments on its tobacco price support loans and how Treasury charges interest and credits repayments on funds borrowed by CCC. No substantive provision of the 1982 Act requires the CCC to change its policy regarding the charging of interest or the crediting of loan repayments. The original mandate of the 1981 Act is broader. However, in light of Congress' recognition in its deliberations on the 1982 Act that CCC was continuing to incur losses due to its loan repayment procedures, the 1981 Act cannot now be construed to require the Secretary of Agriculture to change CCC's loan repayment procedures.

Although we recognize that the Secretary is not under a legal mandate to change CCC's loan repayment procedures, we believe that our prior recommendation that the procedures be changed to bring CCC's interest computation provision more in line with the method it follows from its own Treasury borrowings would further the basic purposes of both Acts.

I.

Section 1109 of the Food and Agriculture Act of 1981<sup>2/</sup> expressed the intent of Congress that the tobacco price support and production program be carried out at no net cost to

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<sup>2/</sup> Pub. L. No. 97-98, § 1109, 95 Stat. 1266, December 22, 1981.

"It is the intent of Congress that the tobacco price support and production adjustment program be carried out in such a manner as to result in no net cost to the taxpayers other than such administrative expense as is incidental to the implementation of any commodity program. To accomplish this objective, the Secretary of Agriculture shall promulgate such regulations and policies as are currently within the Secretary's existing authority by January 1982. The Secretary shall recommend to Congress by January 1982 any legislative changes the Secretary believes necessary and proper to achieve this objective."

the taxpayers except for administrative costs incidental to the implementation of any commodity program. The 1981 Act directed the Secretary to promulgate by January 1982 regulations and policies to the extent permitted under his existing authority to accomplish this objective. The 1981 Act also directed the Secretary to recommend to the Congress any legislative changes needed to achieve the no net cost objective.

The legislative history of the 1981 Act is limited and contains no discussion of CCC's procedures for charging interest and crediting loan repayments or of the losses incurred by CCC as a result of these procedures. Congressman Foley who proposed the substitute amendments which, with minor changes, ultimately became the 1981 Act described the effect of his proposal:

"What the amendment I offer as a substitute would do is three things. First of all, it would establish the policy by this Congress that the tobacco program alone of all of the commodity programs shall bear its own costs. That is the first thing it will do as a matter of policy.

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"Second, what it does is direct the Secretary to use all of the existing law that he has at his disposal under current law to come to this point by issuing new regulations and bringing about administratively as much as he can accomplish. If he feels that he cannot accomplish this goal without additional legislation, then the Secretary is authorized and directed to refer to the Congress those specific legislative changes that he feels are necessary to achieve this result. The Congress has the obligation then, and I will freely say, the obligation to consider and discuss and resolve those recommendations."

\* \* \* \* \*

"Finally, if he has to have additional authority not now vested within the Secretary, he shall report that back and let the

Congress have an opportunity under this policy of bringing that about in the appropriate manner.

127 Cong. Rec. H7552, (daily ed. October 21, 1981).

The scope of costs which the "no net cost" mandate was meant to include was never defined either in the provisions of the 1981 Act or in its legislative history.

In January 1982, the Secretary of Agriculture reported to Congress on the administrative actions taken by the Department and the additional legislative changes needed to achieve the 1981 Act's no net cost objective. The report never discussed tobacco loan repayment practices as a source of losses to the tobacco program. There was no explanation why no administrative action had been taken to change CCC's procedures to eliminate these losses and the Secretary made no request that Congress enact legislation to resolve the issue.

The process started by the 1981 Act resulted in the enactment of the No Net Cost Tobacco Act of 1982. As stated in section 2 of the 1982 Act, the 1982 Act's purpose is to

"implement the intent of Congress, as expressed in the Agriculture and Food Act of 1981, that the tobacco price support and production adjustment program be carried out at no net cost to the taxpayer, other than administrative expenses common to the operation of all price support programs  
\* \* \*."

Pub. L. No. 97-218, § 2(1), 96 Stat. 197 (1982).

To achieve the no net cost objective, the 1982 Act requires each tobacco producer association which enters into a loan agreement with the CCC to establish a capital fund. 7 U.S.C. § 1445-1(b), (c); see also, 7 U.S.C. § 1445-2. As a condition of eligibility for price support loans, tobacco producers must contribute to the capital fund an amount determined by the association with the approval of the Secretary. 7 U.S.C. § 1445-1(d)(1)(A)(i), (ii). The Secretary can approve the level of contribution only if he determines that such level of contribution will result in the accumulation of

a fund adequate to reimburse the CCC for any net losses the CCC may incur under its loan agreement with the association. 7 U.S.C. § 1445-1(d)(1).

The 1982 Act further provides that the capital fund shall be used exclusively for the purpose of ensuring, insofar as practicable, that the CCC under its loan agreements with the association with respect to 1982 and subsequent crops of quota tobacco<sup>3/</sup> "will suffer no net losses (including, but not limited to, recovery of the amount of loans extended to cover the overhead costs of the association), after net gains are applied to net losses \* \* \*." 7 U.S.C. § 1445-1(d)(3). While the 1982 Act does not define the term "net loss," "net gain" is defined to mean

"the amount by which total proceeds obtained from the sale by an association of a crop of quota tobacco pledged to the Corporation for price support loan exceeds the principal amount of the price support loan made by the Corporation to the association on such crop, plus interest and charges."

7 U.S.C. § 1445-1(a)(5).

The House Agriculture Committee report on H.R. 6590, the bill that eventually became the 1982 Act, H.R. Rep. No. 97-613, (1982), and the committee print of the Senate Agriculture Committee which was introduced into the Congressional Record during Senate consideration of the bill describe

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<sup>3/</sup> The 1982 Act defines the term "quota tobacco" to mean "any kind of tobacco for which marketing quotas are in effect or for which marketing quotas are not disapproved by producers." 7 U.S.C. § 1445-1(a)(6).

H.R. 6590's no net cost objective in general terms.<sup>4/</sup> There is little discussion in either the House or Senate reports on CCC's interest costs and policies on crediting loan repayments. However, both reports note that in April 1981 CCC began charging producer associations interest rates comparable to those Treasury charges CCC on its borrowings and observed that another potential loss area had been eliminated.

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<sup>4/</sup> Both the House and the Senate floor debate on H.R. 6590 are replete with references to the bill's general objective, namely, to achieve a tobacco program that operates at no net cost to the taxpayers. The statement of Senator Huddleston, a leading proponent of the bill, typifies this view:

"We have taken seriously the mandate that was handed to us by Congress last year that this program should operate at no cost to the Government, even though it has been, without a doubt, the least costly and most effective agriculture program that Congress has ever enacted.

"The bill not only responds to the congressional mandate of last year, through the establishment of a producer-financed fund to offset any potential losses in the tobacco price support loan program administered by the Secretary of Agriculture, but it goes further. The legislation incorporates changes designed to get allotments held by nonfarming corporations into the hands of active producers, and to keep U.S. tobacco competitive in the world market.

"The bill provides assurance to the taxpayers of the United States that they will suffer no loss from the operation of the tobacco price support program."

128 Cong. Rec. S8200 (daily ed., July 14, 1982).

H.R. Rep. No. 97-613, 13 (1982); 128 Cong. Rec. S8192 (daily ed., July 14, 1982). Nonetheless, the legislative history of the 1982 Act reveals that both houses of Congress were advised that the 1982 Act did not address CCC's losses due to its procedures for charging interest and crediting loan repayments and that it would not result in a tobacco program which would operate at no cost to the taxpayers.

While neither the House report nor the Senate committee print discussed CCC's policies regarding crediting of loan repayments against principal and interest, Congress had been informed that CCC's policies in this area were resulting in significant losses to CCC. Two GAO reports issued to Congress during the period between enactment of the 1981 Act and the 1982 Act specifically identified CCC's interest repayment procedures as a continuing source of net losses to CCC in tobacco support loans.<sup>5/</sup>

The significance of GAO findings concerning CCC's repayment policy did not escape the critics of H.R. 6590. While the bill's overall objective was to achieve a tobacco program that operated at no net cost to the government, congressional critics recognized that the losses incurred by CCC in the tobacco loan program due to their policies on charging interest and crediting loan repayments had not been eliminated and that this issue was not expressly addressed by the bill. Indeed, during the House floor debate, a colloquy between Congressman Rose, floor manager for the bill, and Congressman Shamansky specifically focused on H.R. 6590's failure to address this issue:

"Mr. SHAMANSKY. I also understand that the gentleman has agreed to consider at hearings within 60 days a proposal dealing with the administrative costs of the program. Would the gentleman also consider

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<sup>5/</sup> Tobacco Program's Production Rights and Effect on Competition, CED-82-70, April 23, 1982; Information on Commodity Credit Corporation Loan Repayment Practices, CED-82-106, June 16, 1982. Both of these reports were cited in the Congressional record during debate on H.R. 6590.

at those hearings legislation clarifying  
the application of net gains and the manner  
in which interest on loans is calculated  
and the order in which loan repayments are  
credited?<sup>6/</sup>

"Mr. ROSE. I will be pleased to give the interests of the gentleman from Ohio the same consideration that I will give the subject of administrative costs.

\* \* \* \* \*

"Mr. SHAMANSKY. Today, the House debates a bill with the pleasant-sounding but totally misleading title of 'The No Net Cost Tobacco Support Program Act of 1982.'

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"Nothing could be further from the truth.

"The Commodity Credit Corporation borrows funds from the U.S. Treasury. These funds are then loaned to the tobacco marketing associations and used to give nonrecourse loans to tobacco producers. What the tobacco lobby fails to comprehend is that these funds come from the American taxpayer.

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<sup>6/</sup> After enactment of the 1982 Act the Subcommittee on Tobacco and Peanuts, House Agriculture Committee, held a hearing on October 7, 1982 reviewing tobacco price support program costs. At this hearing USDA officials made clear that they were not including losses incurred by CCC due to its procedures for charging interest and crediting loan repayments in the net losses to be recovered under the 1982 Act. (at 40, 41) Also at this hearing, Congressman Shamansky testified and again expressed his conclusion that the problem of losses incurred by CCC on tobacco price support loans due to these procedures had not been resolved by the provisions of the 1982 Act. (at 4).

"The House should not be misled by the title of this bill. As presently drafted, H.R. 6590 is vague and less precisely drafted than it could have been. The bill may reduce the cost of the tobacco program, but it will not establish a no net cost tobacco program.

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"Every month, when millions of Americans send a check to a thrift institution as payment on their mortgages, the money is applied first to accumulated interest and then to principal. Tobacco associations do not operate that way. GAO noted that since 1966 cash received from loan repayments is applied first to loan principal and then, after the principal is liquidated, to interest receivable. This procedure is inconsistent with CCC's procedures for repaying its Treasury borrowings and with normal banking procedures.

"GAO also noted that Treasury charges CCC interest on daily outstanding balance owed, which includes unpaid interest on borrowings from prior periods. The associations, however, pay interest to CCC on the daily outstanding principal balance, which do not include interest from prior periods. Thus, associations are able to reduce their principal quickly and then pay interest--a lot less interest than otherwise owed. Using data for the crop years 1978-80, GAO estimated that CCC lost \$2 million in interest in fiscal year 1980 alone. This is bad banking and bad business, but it has been happening for 16 years without even a legal basis.

"In a letter report to me dated June 16, 1982, GAO confirmed that there is no

statutory authority for this action.<sup>7/</sup> CCC recognizes this, and it advised GAO that it would change its procedures. As of June 16, however, no change has been made. I submit that, given past practices, Congress cannot depend on CCC to correct itself. Congress must require that proceeds be applied first to interest and then to principal like every other business loan in this country.

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"The GAO report means that the American taxpayer has been financing the tobacco support program through losses in interest that should have been collected if CCC had charged the associations what it cost CCC to borrow funds and that CCC continues to lose money through improper procedures for determining interest on outstanding loans.

"Nothing in this bill prevents CCC from continuing its old ways. I submit, therefore, that in the few remaining years of the tobacco support program, that program should be administered efficiently and properly. H.R. 6590 contains no guidance in this area."

128 Cong. Rec. H3687-88, (daily ed. June 21, 1982) (emphasis added).

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<sup>7/</sup> To be more precise, our letter report stated that "[t]here is no statutory authority which specifically states how loan repayments are to be applied." Information on Commodity Credit Corporation Loan Repayment Practices, CED-82-106 at 1, June 16, 1982. This statement was not meant to imply that CCC's loan repayment practices were unauthorized. In fact, our report did not address the legality of CCC's practices beyond making the observation quoted above.

Similarly, in the Senate debate on H.R. 6590, Senator Hatfield observed that the bill did not address the problem of CCC's losses due to its policies on charging interest and crediting loan repayments. Referring to our reports discussing this issue, Mr. Hatfield advised his colleagues as follows:

"The General Accounting Office has found flawed accounting procedures in the repayment practices of CCC which allows the farmers' repayment to be placed on principal before interest, costing the taxpayers dearly, this legislation does not address this issue."

128 Cong. Rec. S8290, (daily ed. July 14, 1982) (emphasis added). Cf. 128 Cong. Rec. S8200 (daily ed. July 14, 1982) (remarks of Mr. Huddleston).

Senator Hatfield went on to characterize the bill as an "important first step" in the review of the tobacco price support system and requested Senator Helms, Chairman of the Senate Agriculture Committee, to conduct hearings and introduce legislation to correct this and other faults in the bill. Senator Helms agreed to this request. 128 Cong. Rec. S8290-91 (daily ed. July 14, 1982).

Similarly, Senator Eagleton proposed an amendment to H.R. 6590 which would have prohibited the Secretary from providing tobacco price support at a level which he determined would result in any cost to the Federal Government in the operation of the tobacco price support program and authorized the Secretary to reduce support levels down to 1981 levels to help ensure a no net cost operation. 128 Cong. Rec. S. 8224 (daily ed. July 14, 1982). In offering this amendment, Senator Eagleton challenged assurances by supporters of the bill that its enactment would result in a truly no net cost tobacco program. 128 Cong. Rec. S 8228 (daily ed. July 14, 1982). Senator Eagleton's amendment was rejected by the Senate.

It is evident that debate over the impact of the 1982 Act on losses incurred by CCC as a result of its procedures for charging interest and crediting loan repayments continued well past the time of its enactment, even among Congressional

supporters of the bill. A previous GAO report, (Tobacco Program's Production Rights and Effects on Competition, CED-82-70, April 23, 1982), criticized CCC for losses incurred in the tobacco program due to their procedures for charging interest and crediting repayments. Subsequently CCC announced plans to change those procedures. The Chairman of the Senate Agriculture Committee, Jesse Helms, in response to this announcement, wrote the Comptroller of the CCC, by letter dated November 9, 1982, and indicated that he did not believe that those costs were covered under the mandate of the 1982 Act, and that no change should be made. He stated:

"It is my considered opinion that no change is required in the current policy of applying proceeds to the loan principal and then to interest. This method of repayment has worked well and the proposed changes would not be in the best interest of the tobacco program at this time.

"The No Net Cost Tobacco Program Act of 1982 provides that costs associated with the tobacco program, except administrative expenses, not be borne by the taxpayers. Liability for repayment of principal and interest rests with program participants and would, therefore, make changes in sales proceeds assignment policies unwarranted."

However, some months later, in a colloquy with Senator Eagleton over H.R. 3392 which changed tobacco price support levels (enacted as Pub. L. No. 98-59, 97 Stat. 296, July 25, 1983) the question was again raised whether the 1982 Act was intended to cover losses incurred by CCC due to its procedures for calculating interest and crediting loan repayments.

"Mr. EAGLETON. I would like to receive the assurance of the chairman of the Agricultural Committee that the intent of the No Net Cost Tobacco Program Act is not to be thwarted by CCC accounting procedures or gimmicks. The law is clear that, for the 1982 and subsequent crops of tobacco, the tobacco price support program is to be carried out at no net cost to the taxpayers with only one exception, administrative

expenses. All interest costs associated with the program are to be considered a cost of carrying out the program and fully recovered. I would ask the chairman of the Agriculture Committee if he agrees with this statement.

"Mr. HELMS. Yes, I agree with the statement of the Senator from Missouri. Clearly, the No Net Cost Tobacco Program Act by its very nature requires CCC to keep accurate records of all costs, including all interest costs, associated with the tobacco price support program. All of these cost must be repaid with the sole exception of administrative costs.

"Mr. EAGLETON. So my colleague would agree with the opinion of the Inspector General's Office that no matter what the sales proceeds assignment policy of the CCC might be, CCC cannot share in a loss on the 1982 or subsequent crop years of tobacco because of the method used in computing interest.

"Mr. HELMS. Yes, I agree that CCC cannot share in a loss on the 1982 or subsequent crops of tobacco because of the method used in computing interest. The CCC Board of Directors determines the method of computing interest and must do so in a way that involves no procedures that would result in CCC sharing in losses.

"Mr. EAGLETON. I thank the chairman for the clarification on this point \* \* \*."

129 Cong. Rec. S. 9780 (daily ed., July 13, 1983).

Subsequently, during Senate deliberations on S. 1529, the bill which would become the Dairy and Tobacco Adjustment Act of 1983, Pub. L. No. 98-180, 97 Stat. 1128, November 29, 1983, in debate on an amendment proposed by Senator Metzenbaum to eliminate the tobacco price support program, Senator Helms again spoke to the issue of whether losses incurred by CCC due to their procedure for charging interest and crediting loan

repayments were included within the costs required to be recovered from producers under the 1982 Act.

"Since the enactment of the no-net cost tobacco program, the taxpayers are assured that even those minor losses on tobacco of the past will not happen from 1982 forward.

"The sponsors of this amendment attribute a cost of \$591 million in lost interest to the CCC for this tobacco program--but that is just not true. The Commodity Credit Corporation set its interest rates for all nonrecourse loans. Tobacco was treated no differently than any other program, of course. It is just not accurate to talk about CCC's interest losses on tobacco without addressing their interest losses on every other loan CCC has ever made.

"In fact, this charge is really quite irrelevant. In 1981 the CCC announced that it would begin collecting interest fees which reflect the true cost of money to the Government for all price support loans made henceforth--including CCC tobacco loans."

129 Cong. Rec. S13724 (daily ed. October 6, 1983).

The letter, the statements by Senator Helms and the statement of Senator Eagleton are not part of the legislative history of the 1982 Act. These statements were made during Congressional deliberation on bills making technical amendments to tobacco program legislation (Pub. L. No. 98-59 changed tobacco price support levels; Pub. L. No. 98-180 set price support levels for 1984 and 1985 crops, eliminated the obligation to contribute to the no net cost capital fund by owners and operators of farms who lease all or part of their acreage allotments and made a series of other technical changes). Since no provision in either of these bills addressed the question of CCC's losses due to its procedures for charging interest and crediting loan repayments or attempted to redefine the no net cost objective of either the 1981 or 1982 Act, we cannot regard statements made during congressional deliberations on those bills as controlling in our interpretation of either the 1981 Act or the 1982 Act. See,

e.g., United States v. Clark, 445 U.S. 23, 33 Note 9 (1980); United States v. Southwestern Cable Co., 392 U.S. 157, 170 (1968). However, they are indicative of a continuing uncertainty surrounding the scope of actions required to be taken by CCC to implement the 1982 Act's no net cost mandate.

## II.

Our analysis begins with section 1109 of the 1981 Act. The question to be addressed is whether the 1981 Act should now be construed to impose a mandatory duty on the Secretary of Agriculture to change CCC's method of calculating interest and crediting repayments on tobacco price support loans to parallel the practice followed by Treasury in its lending to the CCC. Since the 1982 Act did not repeal the 1981 Act, an argument can be made that the 1981 Act, standing alone, requires the Secretary to make such a change. However, whatever the 1981 Act may have been intended to require prior to enactment of the 1982 Act, we do not believe the 1981 Act can now be construed in isolation without reference to the subsequent 1982 Act.

In our opinion, the 1981 and 1982 Acts should be construed together. See Erlenbaugh v. United States, 409 U.S. 239, 243 (1972). To read the 1981 and 1982 Acts without reference to each other is to read them out of the context in which Congress enacted them. See Allen v. Grand Central Aircraft Co., 347 U.S. 535, 541, 545 (1954). Accordingly, we regard the 1982 Act as a legislative interpretation and definition of the objectives of the 1981 Act in that it aids in ascertaining the meaning of the 1981 Act in the present context. United States v. Stewart, 311 U.S. 60, 64-65 (1940) and cases cited therein.

The 1982 Act's legislative history clearly discloses Congress' awareness of the fact that the tobacco program had incurred and would continue to incur significant losses due to CCC's and Treasury's divergent loan repayment practices. Congress further recognized that nothing in the 1982 Act addressed the problem, or, for that matter, mandated administrative action to eliminate this source of loss. In light of this, we think it clear that whatever the original intent of the 1981 Act may have been, it does not now mandate the Secretary of Agriculture to conform CCC's procedures for calculating interest and crediting repayments on tobacco price support loans to Treasury's procedures with respect to Treasury loans to CCC.

Our analysis of the 1982 Act and its legislative history presents us with an apparent contradiction between the goals of the Act, its provisions and elements of its legislative history. The goal expressed by Congress in both the 1981 Act and the 1982 Act was to achieve a tobacco program that operates at no net cost to the taxpayers. Indeed, the House and Senate reports, along with the numerous statements from the floor debate, echoed the no net cost objective of the 1982 Act. However, the provisions of the 1982 Act deal only with losses incurred by CCC under the terms of loan agreements with producer associations; the Act does not explicitly address CCC's divergent loan repayment procedures and the resulting program loss. Moreover, the statements in the House and Senate debate discussing CCC's loan repayment procedures show that while Congress was specifically advised that CCC's loan repayment procedures were a continuing source of losses to the tobacco program, the legislation did not address the issue.

Given such a record we view the provisions of the 1982 Act as a refinement of the previously undefined no net cost objective put forth in the 1981 Act. In effect, Congress acquiesced both to the procedures employed by CCC for charging interest and crediting loan repayments on tobacco price support loans and to their decision not to count these losses as costs to be recovered from producer associations under the 1982 Act.

Although we have concluded that neither the 1981 Act nor the 1982 Act requires CCC to change its procedures for charging interest and crediting repayments, we believe that our recommendations, discussed in four previous GAO reports,<sup>8/</sup>

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<sup>8/</sup> Collection and Accounting for Accrued Interest on Commodity Credit Corporation Producer Loans, AFMD-82-40, January 11, 1982; Tobacco Program's Production Rights and Effects on Competition, CED-82-70, April 23, 1982; and Information on Commodity Credit Corporation Loan Repayment Practices, CED-82-106, June 16, 1982; Cost Information on USDA's Tobacco Program, GAO/RCED-84-33, December 12, 1983.

that the CCC's procedures be changed to conform to the procedures it follows on its loans from Treasury<sup>9/</sup> would further the basic purposes of both Acts.

I hope that you find this material useful.

Sincerely yours,

*for*   
Comptroller General  
of the United States

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<sup>9/</sup> Currently under 7 U.S.C. § 1421 the Secretary of Agriculture has authority to provide a price-support program and determine the amounts, terms and conditions of price support operations. The CCC Charter Act, 15 U.S.C. § 714c(a), authorizes the CCC to support the price of agricultural commodities, through loans, purchases, payments and other operations. The CCC, under 15 U.S.C. § 714b(j), is allowed to determine the character of and the necessity for its obligations and expenditures and the manner in which they shall be incurred, allowed and paid.